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PROGRAMME PLANNING AND IMPLEMENTATION

Country programmes, mid-term reviews and related matters

# FIFTH COUNTRY PROGRAMME FOR MADAGASCAR

| Programme period | Resources | $ |
|---|---|---|
| 1994-1998 | Net IPF | 62 983 000 |
| | Estimated cost-sharing | 456 000 |
| | Total | 63 439 000 |

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# I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

## A. Current socio-economic situation

1. Madagascar is an island of continental magnitude, the fourth in size among the world's islands (587,041 square kilometres), with a population of the order of 12 million, speaking the same language - Malagasy - and sharing the same culture. The Human Development Report 1993 ranks Madagascar 128th in the world among 173 countries studied. While the adult literacy rate is relatively high (80 per cent), life expectancy is about 50 years and the child mortality rate is 12 per cent. The country is endowed with great physical diversity, a varied climate, endemic flora and fauna which are unique in the world and a subsoil which contains considerable mineral resources. Rice is the staple food, and export products are vanilla, coffee, cloves and, more recently, crustaceans and out-of-season products.

2. Madagascar has all of the social and physical potential needed for rapid economic growth. However, the history of the past 20 years shows an economic decline, with a 40 per cent drop in per capita income from 1972 to 1992. Income is poorly distributed, and one third of the families live in absolute poverty. Thus, in 1993 the country showed significant imbalances in fiscal revenue and current accounts and a deficit in the balance of payments, since foreign debt amounts to 126 per cent of the gross domestic product (GDP). The physical and social infrastructures are in a state of severe deterioration. Moreover, the basic natural resources are being exhausted by deforestation and soil erosion. An economic reform programme supported by the World Bank and the International Monetary Fund (IMF) was established in the mid-1980s, and the per capita GDP increased slightly from 1988 to 1990. In 1991, however, widespread popular movements of discontent and a number of strikes calling for political liberalization and a change in living conditions severely retarded the economic reform process and discouraged private investors. Disbursements made by donors were reduced between 1990 and 1991 by 18 per cent of the initial amount, and the per capita gross national product (GNP) declined by 10 per cent between 1991 and 1992.

3. After the events of 1991, a transitional government was established and succeeded in setting up democratic institutions. The leader of the opposition was elected President by a large majority in February 1993, and legislative elections were held in June, ending with the formation of a new Government in August. Under the new constitution, the Prime Minister is Head of Government and is responsible to the National Assembly. The new economic programme outlined in his programme address of 26 August 1993 was followed by the resumption of negotiations with the World Bank and IMF on a structural adjustment programme (SAP). A policy framework document should make it possible to convene a meeting of a Consultative Group in 1994, and during that meeting the Government's economic reform programme will be presented to the donors. This would also enable IMF to release funds under the strengthened Structural Adjustment Facility, accompanied by a structural adjustment loan from the World Bank.

## B. National development objectives and strategies

4. The programme address delivered by the Prime Minister upon taking office constitutes the present frame of reference of the objectives and precepts of Madagascar's development policy, which are based on the rehabilitation and strengthening of the economy with a view to long-term growth, the harmonious development of all regions and the improvement of living conditions, with a better distribution of income. The Government's economic reform programme, which will be presented at the meeting of the Consultative Group, should develop the points summarized in the next four paragraphs.

5. The Government's objective is to increase exports by 6 per cent by the year 2000. To do so, it would be necessary to eliminate major macroeconomic imbalances and to adopt measures that would make possible the emergence of an environment favourable to the development of private initiative. The growth in the agricultural sector would be of the order of 4 per cent per year, as a result of the increase in production for the local market and the diversification of agricultural export products. The industrial sector should increase by 10 per cent per year thanks to a new investment code aimed at encouraging foreign investment, particularly in the free-trade zones. The third sector in which growth will take place is tourism; the goal in that sector is to attract some 150,000 visitors per year by the year 2000.

6. These objectives relating to the production sector should go hand in hand with investments aimed at the development of human resources and with the gradual alleviation of poverty. Job creation is regarded as the most important lever for reducing poverty and should be accompanied by other measures, such as "safety nets". A special effort should be made in southern Madagascar, where nearly one million persons risk famine during the chronic drought periods. Lastly, although Madagascar has not yet been severely stricken by the virus of acquired immunodeficiency syndrome (AIDS), the Government wishes to launch a preventive campaign at once.

7. Efforts in the productive sectors and the social sectors are seriously hampered by communications problems, and therefore a large proportion of the Public Investment Programme (PIP) of 1994 and subsequent years will be devoted to road and railway projects.

8. The integration of development with environmental problems, in particular through the Charter for the Environment, is regarded as a major feature of the strategies for the development of agriculture and tourism. The Environmental Action Plan, which receives financing from a consortium of donors, has set the following priority action goals: (a) protection of the heritage of biodiversity in connection with the development of zones peripheral to protected areas; and (b) the struggle against deforestation and erosion in watersheds.

## II. EXTERNAL COOPERATION

### A. Role of external cooperation

9. In 1991 Madagascar received $364.2 million, a decrease of 18 per cent from the 1990 figure. This official aid represents more than 13 per cent of the country's GDP and comes essentially from the Government of France (21.4 per cent), the World Bank (20.9 per cent), the Government of the United States (10 per cent), the Commission of the European Communities (CEC)/European Development Fund (EDF) (5.7 per cent) and the Government of Switzerland (5.3 per cent). In all, bilateral cooperation provides 54.2 per cent of development aid, while 45.8 per cent of the aid is multilateral (the United Nations system, including the International Development Association (IDA), IMF, the African Development Bank (AfDB), the African Development Fund (AfDF), EEC, EDF, the European Investment Bank (EIB)/Organization of Petroleum Exporting Countries (OPEC) and others). The main areas of intervention by the donors in support of the Government's economic reform policy are: support for management of the economy (35.5 per cent), agriculture, forestry and fisheries (11.2 per cent), transport (9.4 per cent) and education (9 per cent).

10. Donors' aid to development decreased during the transition period (1991-1993), and it appears that approximately $1 billion was intended for aid to Madagascar but was not used. It is to be hoped that the expected agreements at the Consultative Group's meeting in 1994 will make it possible to unblock a large part of this amount.

11. The aid provided to Madagascar by the United Nations system can be broken down as follows (1993 data): UNDP, $13 million; the United Nations Children's Fund (UNICEF), $7 million; the World Food Programme (WFP), $1.7 million; and the United Nations Population Fund (UNFPA), $1.1 million. UNDP, with 3.6 per cent of official development aid (ODA) and only 11.4 per cent of multilateral aid, occupies only a modest place; it must therefore be particularly careful in targeting the programmes and setting the strategic objectives to which the Government attaches high priority and make the best possible use of its comparative advantages.

### B. Coordination arrangements

12. The last meeting of the Consultative Group was held in 1988, and formal arrangements for the coordination of macroeconomic aid were suspended during the 1991-1993 transition period. However, after the formation of the new Government in August 1993, the World Bank convened an informal meeting of donors at Paris, which resulted in the achievement of a consensus on the approach taken by the donors to Madagascar and on the modalities of coordination. At the same time, the Government announced its intention to hold periodic meetings with the donors for the follow-up of the PIP.

13. The new Government's coordination of the various sources of aid is carried out mainly through the Ministry of the Economy, Planning and Social Recovery. These relatively new provisions will require support from the donors, particularly from UNDP, as will be described below. The donors have all agreed

to hold monthly meetings under the chairmanship of the World Bank. It should further be noted that sectoral meetings are also being held between the Government and the donors, such as the annual follow-up sessions for the environmental programme.

14. The coordination for the United Nations system is provided by the monthly meetings of the representatives of the system's agencies in Madagascar, under the chairmanship of the UNDP Resident Representative. With regard to sectoral coordination, after the 1990-1993 famine in southern Madagascar a joint United Nations system initiative was set up under the coordination of the United Nations Food and Agriculture Organization (FAO) to facilitate the transition from emergency aid to development aid. A master plan prepared by FAO with a view to enhancing food security in the south was submitted to the donors during a round-table conference held at Antananarivo in December 1993, and complementary activities of the other systems of the United Nations are still to be determined. A country strategy note will have to be prepared by the Government and the United Nations system in 1994, after the Government's economic reform programme is submitted to the Consultative Group. A Coordinating Committee of the United Nations system at the country level will be established at the same time.

## III. THE COUNTRY PROGRAMME

### A. Assessment of ongoing country programme

15. The fourth country programme, which was originally scheduled to begin and end one year after the Fifth National Plan and last from January 1987 to December 1991, was extended by two years in 1992 and 1993 owing to the uncertainties that arose during the political transition. At the conclusion of the 1989 mid-term review, it was agreed that the activities should be concentrated around the four main areas of concentration and that greater emphasis should be placed on cooperation, in keeping with the programme approach. In all, the programmes and projects undertaken were centred around six themes and/or sub-themes: economic management, which accounted for 12.7 per cent of the resources; environment, 7.4 per cent; fisheries, 7.9 per cent; rural development, 22.5 per cent; the private sector, 33.3 per cent; and the social dimension of adjustment, 16.2 per cent. These themes were retained in spite of the budget cuts made at the beginning of 1993. In September 1993, during the fourth country programme review, the Government decided that these themes were part of its priorities and that the principal ongoing activities should be continued and completed during the fifth country programme.

16. With respect to the strengthening of institutional capacity, the fourth country programme produced tangible results in three areas:

(a) In terms of development management capacity, the programme: (i) enabled the central economic ministries to establish systems for the collection, analysis and modelling of statistical data and to set up an aid coordination mechanism; and (ii) assisted several ministries and the National Environmental Office in developing programme frameworks for their respective

sectors, defining priority development policies and optimizing the focus of their own activities, as well as donor support;

(b) The goal of alleviating poverty for human development was pursued through efforts to achieve the food self-sufficiency of development projects in rural and urban areas, mainly by supporting micro and small entrepreneurs and promoting female employment. Moreover, concrete measures were taken to create jobs through projects that make use of the local unemployed labour force and to establish and/or rehabilitate social and productive infrastructures and infrastructures that help open up isolated areas;

(c) In the area of the sustainable development of natural resources, new technical and institutional foundations were laid in order to increase the production of new crops in diversified geographic areas, the value of production facilities appreciating as commercial and institutional constraints were eliminated. In this sector, efforts to eliminate poverty and protect the environment required rural development projects, including projects in fisheries, which enabled economic interest groups (women, young people, groups of farmers) to engage in productive and income-generating activities.

17. In terms of execution, the programme approach had only a gradual effect on the modification of the programme's structure, as individual ongoing projects were completed. The circumstances of the 1991-1992 transition led UNDP to launch or to continue specific actions with a view to obtaining immediate results in the area of job creation or poverty alleviation without, however, being able to count on local matching. Consequently, the structures are not likely to remain in place for a long time. Thus, it is essential to continue these projects in order inter alia to consolidate their achievements by ensuring that they are supported by local matching.

18. In addition, the programme frameworks suffered from a lack of financing, even though $5 million had been earmarked for each programme framework. This goal, no doubt ambitious from the start, proved completely unattainable after the financial crisis of 1993. Furthermore, the mobilization of resources from other donors, which had been expected from the adoption of the programme approach, was not as successful as anticipated, with the exception of the programme framework on the development of fisheries.

19. Lastly, there was no real integration of the activities of the various donors of the United Nations system, and relatively little effective coordination with the activities of other donors was achieved. In the fifth country programme, efforts will be made to provide better integration of activities, through the country strategy note, coordinating committees at the country level and regular meetings with donors in the field.

20. In view of the lessons learned and described above, the fifth country programme should accent its strong points while seeking to improve certain weak points: (a) the comparative advantages of UNDP are upstream from development activities, where it can play an advisory and coordinating role; (b) UNDP should concentrate its efforts on a reasonable number of activities and avoid spreading itself too thin; (c) special attention should be given to the sustainability of institutional structures; (d) the modalities of the programme approach, although

an innovative methodological support, should be clearly defined on a case-by-case basis; and (e) the fourth country programme carried out a number of actions in favour of women but did not give sufficient attention to the "ratio of women to men in development", which should be taken into greater account in future.

## B. Proposals for UNDP cooperation

### 1. Preparatory process

21. The budgetary restructuring that resulted in the reduction of the indicative planning figure (IPF) at the beginning of 1993 and the fourth country programme review in September 1993 confirmed the relevance of the areas of concentration defined during the 1989 mid-term review, as well as the importance of completing the main projects and programmes. Thus, each project was approved a posteriori by the Government in consultation with donors to review the PIP in November 1993. New activities to be carried out during the Fifth National Plan were discussed with the new Ministry of Planning, the Economy and Social Recovery. Most of these new activities, which were begun later in the programme, will be confirmed by the Government once the economic reform programme is finalized. The areas of concentration and activities of the last two years of the programme will be re-examined during a mid-term review in 1996. The reactivation of the National Technical Cooperation Assessment and Programmes (NATCAP), begun in 1990 but suspended during the transition period, will be reconsidered when the Government's economic reform programme is finalized.

### 2. Objectives and strategies of UNDP cooperation

22. The Government's proposed economic programme implies major efforts for the recovery of macroeconomic balance, increased agricultural and industrial production, poverty alleviation and environmental protection. The basic objective of UNDP cooperation will be to support the Government in its implementation of its priority programme.

23. The comparative advantages of UNDP, its neutrality and access to the resources of the United Nations system, and the Government's priorities mentioned above, will involve UNDP assistance in three areas of concentration, namely: (a) reinforcement of economic management capabilities; (b) sustainable management of natural resources; and (c) poverty reduction. Emphasis will be placed on the formulation of policies and strategies, national capacity-building and the transfer of skills.

24. In keeping with these objectives, the fifth country programme will have four principal functions:

(a) To facilitate the transition of the fourth country programme's six main themes into three themes in order to ensure greater concentration of new activities;

(b) To ensure the orderly completion of the programme frameworks and projects that have been in progress since the fourth country programme, and the approval of new phases;

(c) To serve as a frame of reference for mobilizing resources to complement UNDP activities, in particular through the cost-sharing mechanism;

(d) To promote national execution of ongoing and newly approved projects and programmes.

25. In its performance of these four functions, the principal concern of the fifth country programme will be to pursue sustainable human development through poverty alleviation and job creation, in order to enhance the creative freedom of individuals and of more independent and self-sufficient institutions in the sustainable management of natural resources. In addition, the analysis of the "ratio of women to men in development" will be progressively integrated into all ongoing projects and programmes in order to provide a basis for the policy changes required for the promotion of women in Madagascar.

26. In addition, the Fifth National Plan should seek to strengthen those UNDP activities in Madagascar that have already demonstrated their usefulness during the fourth country programme, in particular: (a) reinforcement of the planning and management capabilities of the national economy in key sectors, where the neutrality of UNDP will be turned to good account (for example, the Ministry of Planning, the Economy and Social Recovery); (b) innovative programmes to support private initiative (Enterprise in Madagascar); (c) promotion of measures to alleviate poverty, measures that have encouraged other donors to finance activities (micro-projects); (d) measures to promote agriculture by increasing agricultural production and integrated rural development (FAO projects); and (e) integration of women into anti-poverty projects.

27. With regard to the availability of resources, it should be noted that the IPF allocated to Madagascar for the period 1992-1996 was initially $66.5 million. However, 10 per cent of that amount was borrowed to cover the costs of the preceding cycle, and moreover, at the beginning of 1993, a shortfall in contributions forced UNDP headquarters to reduce its IPF by 25 per cent in all countries. In the light of these factors, as well as the expenditure already committed in 1992 and 1993, there remains an available amount of $18.3 million for the years 1994-1996, or a little more than $6 million a year. Although the IPF ceilings for 1997-1998 have not yet been established, it is already possible to count on the figure of $7.5 million a year. Thus, the total available amount for the period 1994-1998 is approximately $33 million.

28. It should be noted that, in view of the tight financial situation, the programme will give priority to ongoing activities that are in keeping with the objective of concentration and not to authorize any new activities until the beginning of 1996, the year in which a number of ongoing projects will be completed and resources will again become available. In this context, the Government and UNDP will jointly sponsor a resource mobilization campaign.

## 3. Areas of concentration

### Strengthening economic management capabilities

29. National objective. The Prime Minister's programme address foreshadows the emergence of a new economic policy and of a new governmental mission based on four functions: information management and strategic planning; resource mobilization and allocation; transparent and efficient management of the public sector; and promotion of the private sector.

30. With respect to these functions, in the context of the fifth programme the Government has identified the following three priorities: (a) strengthening the statistical office, establishing a work plan and defining sectoral strategies; (b) policies for the management of technical cooperation; and (c) promotion of the private sector.

31. UNDP cooperation. In the context of the macroeconomic management objective, a programme framework has been conceived which will place particular emphasis on the following categories:

(a) Information management and strategic planning: this will involve organizational and computer support for compiling work plans such as those on national accounts, balance of payments, financial operations and the monetary situation. Training of the administrative personnel involved in the use of these analytical instruments will also be necessary. (A special effort will be made to introduce a systematic statistical breakdown showing gender-based data, so as to permit a better analysis of the "ratio of women to men in development".)

(b) It should be noted that strengthening macroeconomic management capability is beyond the resources of UNDP alone, and in fact several other donors (Caisse française de développement, French Cooperation Mission, World Bank) are working on it. The Government believes, however, that UNDP should play a key role in this area, while working closely with the other donors. For its part, UNDP will mobilize its non-IPF funds to help complete upstream studies, especially with regard to the NATCAP process, the National Long-Term Perspective Study (NLTPS), the African Capacity-Building Foundation (ABCF), and the Management Development Programme (MDP).

(c) Formulation of a technical-cooperation policy: this will help in the mobilization of financial resources and the rationalization of administrative restructuring after defining the role of the Government in the present context of liberalization. Moreover, UNDP will support the establishment of an interministerial committee responsible for preparing negotiation documents, as a follow-up of SAP for strengthening strategic management.

32. With regard to promotion of the private sector, the successive Governments in the late 1980s emphasized the importance of economic liberalization and of improving the environment for the promotion of the private sector. The Government therefore hopes that the projects which support its own efforts to strengthen and create small- and medium-scale enterprises, by means of access to credit, will be continued. Moreover, a project to introduce a strategic

management process for industrial development, in response to the Government's requests to provide assistance to larger enterprises, is in the final stage of preparation.

Sustainable management of natural resources

33. National objective. Environmental protection heads the list of the Government's priority strategic objectives. Not only is the country's biodiversity declining, but increasing soil fragility caused by a constant process of erosion is creating a downward trend in agricultural yields, making it imperative to coordinate closely the activities for environmental protection and those for rural development. The country has already outlined a sustainable development strategy in the Environmental Action Programme, the first five-year phase of which has just undergone a review that confirms the relevance of its fundamental objectives and the innovative character of its institutional framework.

34. UNDP cooperation: environmental management. Complementing, and in association with, the actions undertaken by Madagascar's other partners, UNDP will use its strategic position with the Government to help it refocus its environmental policies and strategies better, draft and implement appropriate legislation and improve the coordination of its activities, especially in the following areas:

(a) UNDP should maintain its strategic position with the National Environmental Office (NEO) in order to strengthen the Environmental Action Plan's implementation machinery at the central level and should endeavour to see to it that NEO acquires a bank of descriptive and qualitative data on the roles of men and of women in environmental management. UNDP should also do its best to play an important role in the implementation of the actions called for in Agenda 21, inter alia in the mobilization of supplementary financing, such as the Global Environment Facility (GEF), Capacity 21, etc.

(b) UNDP should continue to assist in the promotion of sustainable rural development projects, supplemented by environmental-conservation activities such as the development of watersheds. Activities are in progress in several areas of the country, but it is proposed that the new activities of the fifth cycle should be limited to one geographical area, i.e. the south, where the main concern will inevitably be to provide food security on the basis of a sustainable-development approach that includes appropriate natural-resource conservation measures. Beyond this, the United Nations system has agreed to make a concerted effort to help the south advance from the emergency phase to the development phase; FAO has been chosen to take the leadership role in this joint programme, which was presented at a donors' meeting in December 1993. In this context, UNDP proposes to furnish technical cooperation to the National Commission for the South and to work for the utilization of the participatory approach, as well as the use of the "ratio of women to men in development" analysis in the implementation of the programme.

35. In southern Madagascar, planning and utilization of statistical information will make possible the development of warning systems, the timely handling of

crisis situations and the establishment of medium-term and long-term perspectives for a better response to food-security and import needs.

Poverty alleviation

36. National objective. One of the primary strategic objectives of the Government is to bring a tangible improvement in the people's living conditions and at the same time to preserve the environment on which human beings depend. This accords with the notion of sustainable human development. As was stated at the beginning of this document, the Human Development Report ranks Madagascar 128th among 173 countries, and a goal of the Government is to raise this ranking. Lastly, the Government hopes to finalize strategies for combating AIDS.

37. The struggle against poverty in the most disadvantaged parts of the island is a priority area of concentration in the formulation of priorities for UNDP cooperation, taking account of UNDP's comparative advantages. The activities planned in this regard will have three objectives: the promotion of social services, sustainable management of natural resources and projects that create employment. The first three years of the fifth cycle (1994-1996) will see the continuation of ongoing programmes initiated in 1992 under the programme framework known as Social Dimension of Adjustment, aimed at alleviating poverty in Madagascar. UNCDF programmes will be linked to these sub-themes. It is also suggested that the established machinery can be used for carrying out micro-projects within the framework of the World Bank's social fund and WFP (employment and nutrition programme).

38. Two other items will also be linked to this theme: (a) projects to develop activities designed to improve agricultural productivity, with a view to increasing rural income; and (b) projects promoting new jobs through the creation of micro, small- and medium-scale enterprises.

39. As in the case of the second theme, the south will be the main area of intervention both in agriculture and in poverty alleviation. Since poverty manifests itself in different forms, the actions to be taken will be defined according to needs that will be determined in collaboration with the local population. A "Gender in Development Overview" will be developed according to area of activity and this will also determine what action is to be taken.

40. Although Madagascar is not yet seriously affected by AIDS, UNDP has already been providing the Government since 1991 with technical cooperation to support the national programme, in collaboration with other donors, inter alia the Government of Germany, to combat sexually transmitted diseases and AIDS. The World Bank is conducting a study with a view to developing an anti-AIDS programme which could serve as a master plan for activities in this area during the fifth cycle and for activities financed by other donors.

### C. Assistance outside the main areas of concentration of the country programme

41. Since IPF resources are still inadequate to the needs of the programme, financing from other funds administered by UNDP will have to be used (TSS, Special Programme Resources, especially the Project Development Facility). A strategy to mobilize financial resources will have to accompany the execution of the fifth programme. Additional possibilities have already been agreed upon with UNCDF, and contacts with other donors interested in ongoing projects/programmes are being pursued.

42. UNCDF. After Madagascar was officially added to the United Nations list of less developed countries, UNCDF sent a programme mission (May-June 1992) which identified four areas of activity: (a) establishing a fund to complement the programme framework called Social Dimension of Adjustment for micro-projects in the south; (b) financing the Guarantee/Line of Credit fund, a project complementary to "Enterprise in Madagascar"; (c) financing the development of the rich agricultural region of Ambato-Boeni in north-western Madagascar through infrastructures and management aid; and (d) providing investment financing to complete the UNDP project for the protection of biodiversity at Mananara, in north-eastern Madagascar.

43. Agencies participating through the Joint Consultative Group on Policy. One or more agencies of the United Nations system, including JCGP agencies, are now participating in the programmes undertaken in southern Madagascar and will continue to do so in the future. At the time of the 1990-1993 famine WFP established an emergency food aid programme. After satisfactory rainfall during the 1992-1993 rainy season, the emergency food aid programme has been active in developing a work-for-food project. A rapid action project in 1994 will be followed by a larger one covering the period 1995-1998. Micro-projects financed by WFP are complemented by a UNICEF project to drill wells which is being carried out by the UNDP/International Labour Office programme for micro-projects. These projects will later receive additional financing from UNCDF, as mentioned above. At the same time, the implementation, starting in 1994 and coordinated by FAO, of food security projects under the framework plan for the south will provide coordination for rural development activities. In the longer term, IFAD will finance a project for the development of the high basins of the Mandrare adjoining the desert regions in the south which are often subject to droughts.

44. The December consultation meeting on the south made it possible to launch a process of close cooperation between Madagascar and its partners to improve the coordination of development activities in conformity with the current policy of decentralization. Besides the intervention of the above-mentioned United Nations agencies, several donors, inter alia the Commission of European Communities, were thus able to confirm their interest in managing projects in the southern part of the country.

45. Other joint UNDP/JCGP activities, including complementary UNDP/International Labour Office and UNFPA programmes, will increase revenues for women's projects.

## D. Implementation and management arrangements

46. The strengthening of the programme approach should make it possible to speed up the phase of transition from the six themes of the fourth programme to the three areas of concentration chosen for the fifth programme. Accordingly, the first theme of macroeconomic management can be formalized in 1994 following the model of the programme support document, which is designed to promote more effectively the objective of appropriate national development. In 1995 it will be possible to prepare a programme support document for the second area of sustainable management of natural resources.

47. The fourth programme did not contain any projects intended for national execution in the true sense; the fifth programme should therefore devote a percentage of its financing between now and the end of the cycle to projects for national execution. A study on the operational modalities of national execution was completed in late 1993, and a training programme will be conducted in mid-1994.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(in dollars)

| | | |
|---|---|---|
| Fourth cycle IPF balance | (6 368 000) | |
| Fifth cycle IPF | 66 878 000 | |
| Expenditures in 1992 | (13 247 000) | |
| Estimated expenditures in 1993 | (11 031 000) | |
| Estimated resources for 1997/1998 | 26 751 000 | |
| Subtotal, IPF | | 62 983 000 |
| Project cost-sharing (Government) | 456 000 | |
| Project cost-sharing (third-party) | - | |
| Subtotal, cost-sharing | | 456 000 |
| TOTAL | | 63 439 000 |

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) AMONG KEY SECTORS (1994-1998)

| Area of concentration | IPF | Cost-sharing | Total | % of total resources |
|---|---|---|---|---|
| Economic management and private sector | 8 217 000 | - | 8 217 000 | 13.0 |
| Sustainable management of natural resources | 13 470 000 | - | 13 470 000 | 21.2 |
| Poverty alleviation | 9 768 000 | 456 000 | 10 224 000 | 16.1 |
| Unprogrammed reserve | 31 528 000 a/ | - | 31 528 000 | 49.7 |
| | 62 983 000 | 456 000 | 63 439 000 | 100.0 |

a/ Representing an unprogrammed reserve of 25 per cent of the IPF for the fifth cycle.

/...

Period (1997-1998)

| Priority sphere of activity | IPF | Cost-sharing | Total | % of total resources |
|---|---|---|---|---|
| Economic management | 2 000 000 | - | 2 000 000 | 13.9 |
| Management of natural resources | 5 000 000 | - | 5 000 000 | 34.6 |
| Combating poverty | 5 000 000 | - | 5 000 000 | 34.6 |
| Unprogrammed reserve | 4 446 000 | - | 2 446 000 | 16.9 |
| Total | 14 446 000 | - | 14 466 000 | 100.0 |

## III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN UNDP'S AREAS OF CONCENTRATION

(in dollars)

A. UNDP-administered funds

| | | |
|---|---|---|
| SMF | for reference | |
| UNCDF | 12 000 000 | |
| Subtotal | | 12 000 000 |

B. Other United Nations sources

| | | |
|---|---|---|
| JCGP agencies | | |
| UNFPA | - | |
| UNICEF | - | |
| WFP | - | |
| IFAD | - | |
| Other organizations of the United Nations system (not financed by UNDP) | | - |
| Global Environment Facility (GEF) | | - |
| Subtotal | | - |

C. Non-United Nations sources -

TOTAL -

Annex II

PROGRAMME MATRIX a/

| Areas of focus | Poverty eradication and grass-roots participation in development | Environmental problems and natural resource management | Management development | TCDC | Transfer and adaptation of technology for development | Women in development |
|---|---|---|---|---|---|---|
| I. Reinforcing economic management capacity | | | | | | |
| 1. Information management and strategic planning | | X | X | X | | X |
| 2. Resource mobilization | | X | X | | | X |
| 3. Promotion of the private sector | X | | X | | X | X |
| II. Sustainable development of natural resources | | | | | | |
| 1. Management of the environment | X | X | X | | | X |
| 2. Food security | X | X | | | | X |
| III. Poverty alleviation | | | | | | |
| 1. Increasing rural income | X | X | | | | X |
| 2. Improving social services and infrastructure | X | X | | | X | X |

a/ The asterisks indicate important interrelationships.

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